
Recommendation No. 2:

The Office of State Planning and Budgeting (OSPB) and the Office of the State Architect should improve the tracking, monitoring, and reporting on capital construction projects for Executive Branch agencies, including institutions of higher education, by working with the Capital Development Committee to propose legislation where appropriate. Specifically, the Office of State Planning and Budgeting and the Office of the State Architect should:

- a. Establish formal policies for the construction and administration phase of capital construction projects to ensure State agencies prepare project monitoring reports and thorough project closeout evaluations, including a written assessment of lessons learned upon completion. Closeout evaluations and written assessments regarding the construction and administration phase of capital construction projects should be made available to other State agencies for review.
- b. Propose legislation outlining the criteria, length of reporting term, and circumstances under which departments receiving capital construction appropriations should conduct ongoing analysis and monitoring of full project lifecycle costs, project assumptions, and cost saving estimates.
- c. Propose legislation outlining the criteria and circumstances under which capital construction project funding should require engaging independent third parties to provide lifecycle cost monitoring and tracking of complex, high-cost construction projects.

Office of State Planning and Budgeting Response:

Agree. Implementation date: May 2013.

- a. OSPB concurs that thorough closeout evaluations of the construction and administration phases of any project should be completed and published for review. OSPB will support the Office of the State Architect in ensuring that these evaluations are completed, and will assist in their publication as necessary.
- b. OSPB concurs that post-construction monitoring of specific projects can help inform the best possible decisions concerning future capital construction projects. OSPB will consult with the Office of the State Architect and the Capital Development Committee during the 2013 Legislative Session to consider when such analyses would be most appropriate to occur. However, it should be noted that departments may

be unable to comply with such requirements within existing budgetary resources, and any bill proposed as part of this recommendation may require additional appropriations.

- c. OSPB concurs that post-construction monitoring of certain large projects may best be accomplished by an independent third party. OSPB will consult with the Office of the State Architect and the Capital Development Committee during the 2013 Legislative Session to consider criteria for when capital construction appropriations should include a component for post-construction analysis by a third-party vendor. However, it should be noted that such a requirement will likely increase the total cost of construction for some future projects.

Office of the State Architect Response:

Agree. Implementation date: May 2013.

- a. The Office of the State Architect will work with OSPB to establish formal policies for State agencies and institutions of higher education for the construction and administration phase of capital construction projects to require project monitoring and closeout reports including written assessments of lessons learned upon completion.
- b. The Office of the State Architect will work with OSPB and the Capital Development Committee to evaluate possible legislation for establishing criteria for State agencies and institutions of higher education to conduct ongoing analysis of project lifecycle costs, project assumptions, cost savings and length of reporting term. Contingent upon passage of legislation, policies would be established.
- c. The Office of the State Architect will work with OSPB and the Capital Development Committee to propose legislation for capital construction project funding to include the engagement of independent third party lifecycle cost monitoring and construction cost tracking. Contingent upon passage of legislation, policies would be established.

Recommendation No. 5:

The Office of State Planning and Budgeting (OSPB) and the Office of the State Architect should work with the Capital Development Committee to develop a framework for creating a long-term real estate master plan for the State by:

- a. Seeking funding to complete a master plan for the Capitol Complex inclusive of space needs and usage requirements as well as broader concepts such as land use, parking, security, grounds maintenance and use, pedestrian circulation, sustainability issues, and financing options. The master plan should also address quality standards with respect to proposed building renovations.
- b. Considering proposing legislation requiring all real estate-related capital requests be evaluated against an approved master plan, similar to existing statutory requirements for the Colorado Commission on Higher Education and institutions of higher education.

Office of State Planning and Budgeting Response:

Agree. Implementation date: September 2013.

- a. OSPB concurs that the existence of a master plan for the Capitol Complex would lead to better decisions concerning the renovation and potential construction of new space for State operations. In a future budget cycle, OSPB will work with the Office of the State Architect and the Capital Development Committee to propose funding for such a master plan, contingent on available revenues for the project.
- b. OSPB concurs that, if a master plan were funded and completed, both the Governor and the Legislature should evaluate all construction requests related to real estate against such a plan. In the event that OSPB submits a request for a Capitol Complex master plan, it will work with the Office of the State Architect and the Capital Development Committee to propose companion legislation concerning the Plan's role in the evaluation of funding for related construction projects.

Office of the State Architect Response:

Agree. Implementation date: September 2013.

- a. The Office of the State Architect will work with OSPB and the Capital Development Committee to evaluate possible legislation for a master plan for the Capitol Complex. Contingent upon passage of legislation, the master planning would commence immediately.
 - b. The Office of the State Architect will work with OSPB and the Capital Development Committee to evaluate possible legislation to require all real estate related capital requests be evaluated against an existing approved master plan. Contingent upon passage of legislation, policies would be established.
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